GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:7781
ANSWERED ON:17.05.2002
IMPORT AGAINST ADVANCE LICENCES
CHARAN DAS MAHANT

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether even after levy of anti-dumping duty on a product from a specific country/countries, our anti-dumping laws permit import of the said product from the subject countries without levy of ant-dumping duty, against an advance licence;

(b) whether the advance licence scheme provides for 18 months to fulfil the export obligation, extendable by another 6-12 months;

(c) if so, the measures being taken to ensure that the imported product is used for export production only; and

(d) whether Government are aware that in overseas countries, like US and EU items once subjected to anti-dumping duty, can be imported without payment of anti-dumping duty, only into designated foreign trade zones, whereby they will be converted into finished product and exported out of the country ?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (d) The duty free import facility allowing exemptions from Basic Customs Duty, Additional Customs Duty, Special Additional Duty, Anti-Dumping Duty and Safeguard Duty ensures zero rating of exports as per internationally prevailing practices. The imports effected under advance licence is with an actual user condition and therefore the scheme does not allow transfer, sale or disposal of the inputs in any other manner except for its utilisation for export by the unit importing the same. The export obligation period allowed for fulfilment is 18 months which is extendable by six months on payment of a composition fee of 1% and thereafter for a further period of six months on payment of a composition fee of 5%. Like US and EU, in India also, imports effected under designated foreign trade zones like Export Processing Zones, Special Economic Zones and imports effected by Export Oriented Units are also without payment of anti-dumping duty for conversion of such inputs into finished products for export purposes. The anti-dumping duty is to prevent the dumping of goods in the domestic market. The imports taking place for conversion and export purposes are therefore exempt from such a duty in all countries.